

South Korean drug firms look overseas for profit

05 August 2013 | News | By BioSpectrum Bureau



Singapore: In a bid to generate new profit engines, South Korean pharmaceutical companies have set their eyes on overseas markets.

As per data generated by the Korea Pharmaceutical Manufacturers Association, the combined exports of local drug makers rose 46.70 percent year-on-year to \$1.2 billion in 2012, when compared with \$930 billion in 2011, surpassing the \$1 trillion mark for the first time.

Industry sources have attributed this rise in the drug makers' exports on the government's policy to lower drug prices that took effect last April.

The South Korean government cut drug prices by an average of 17 percent as part of its efforts to reduce excessive medical outlays that have become a social burden, but the move caused the drug makers to experience losses in operating profits and sales, sources have pointed out.

With the expansion of drug exports, the local pharmaceutical companies are scurrying to take over overseas drug makers in an effort to create an overseas presence.